
FINAL NOTICE

To: Homebuyers (West Country) Limited

**Of: The Old Rectory
8 Winchester Close
Chippenham
Wiltshire
SN14 0QU**

Dated: 13 May 2004

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS ("FSA") gives you final notice about a decision to cancel the permission granted to Homebuyers (West Country) Limited ("Homebuyers") to carry on regulated activities.

1. ACTION

The FSA gave Homebuyers a Decision Notice on 1 December 2003 ("the Decision Notice") which notified Homebuyers that for the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 ("the Act"), the FSA had decided to cancel the permission granted to Homebuyers pursuant to Part IV of the Act ("Homebuyers' Part IV permission").

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2. REASONS FOR ACTION

By a First Supervisory Notice dated 24 September 2003, the FSA gave notice that it had decided to vary Homebuyers' permission, by removing all regulated activities with immediate effect ("the variation action"), because Homebuyers was failing to satisfy the threshold conditions set out in Schedule 6 to the Act.

In the opinion of the FSA, the resources of Homebuyers were not adequate in relation to the regulated activities it carried on. Specifically, Homebuyers had failed to maintain any professional indemnity insurance since 31 October 2002, notwithstanding that FSA Rule 13.1.3 in the Interim Prudential Sourcebook: Investment Businesses (IPRU(INV)) requires that Homebuyers must effect and maintain at all times professional indemnity insurance for all the activities which it carries on, or for which it is responsible.

There no longer being any regulated activities for which Homebuyers had permission, and the FSA being satisfied that it was no longer necessary to keep Homebuyers' permission in force, the FSA was under a duty to cancel it and gave Homebuyers a Warning Notice dated 26 September 2003 ("the Warning Notice").

Homebuyers made written representations to the FSA on 3, 21 and 24 October 2003 and exercised its right to make oral representations to the FSA at a meeting with the Regulatory Decisions Committee on 26 November 2003. Having had regard to those representations, the FSA nevertheless concluded that there was no basis on which to rescind the variation action.

By a Second Supervisory Notice dated 1 December 2003 ("the Second Supervisory Notice"), the FSA gave you notice that it had decided that there was no basis to rescind the variation action. Homebuyers exercised its right to make a reference, about the matters contained in the Second Supervisory Notice to the Financial Services and Markets Tribunal ("the Tribunal"). On 5 April 2004, the Chairman of the Tribunal directed that Homebuyers' reference be dismissed.

Homebuyers has not referred the Decision Notice to the Tribunal within 28 days of the date on which the Decision Notice was given to Homebuyers. Accordingly, the FSA has today cancelled Homebuyers' Part IV permission.

3. IMPORTANT

This Final Notice is given to you in accordance with section 390(1) of the Act.

Publicity

Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA

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must publish such information about the matter to which this Final Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.

The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA Contact

For more information concerning this matter generally, you should contact Fiona Walker at the FSA (direct line: 020 7066 5620 /fax: 020 7066 9720).

John Kirby
Manager - FSA Enforcement Division